

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Dear Ms. Dortch:

By letter dated November 22, 2017, Ligado Networks, LLC (“Ligado”), by its counsel, notified the International Bureau (the “Bureau”) that it had been advised by Fortress Investment Group, LLC (“FIG” and, together with its affiliates, “Fortress”) that, pursuant to a transaction with SB Foundation Holdings LP, a wholly owned indirect subsidiary of Softbank Group Corp. (“SoftBank”), FIG would become a private company and would no longer be publicly traded upon consummation of the transaction (the “SoftBank Transaction”). The letter further stated that, as a result of pre-consummation steps Fortress intended to take, Ligado understood the SoftBank Transaction would not require any FCC approvals under the foreign ownership rules.

As we previously notified the Bureau, the SoftBank Transaction was consummated on December 27, 2017, and certain steps were taken in connection with the consummation of the SoftBank Transaction to ensure compliance with the Commission’s rules. Specifically, as described more fully below, Fortress caused all of the voting and consent rights relating to the equity interests that it then held in Ligado to be placed in an irrevocable voting proxy controlled by a U.S. citizen who is independent of Fortress, effective prior to the consummation of the SoftBank Transaction (the “2017 Voting Proxy Agreement”). As a result, Fortress no longer holds any cognizable voting or management interests in Ligado and continues to hold less than one percent of Ligado’s equity. Accordingly, because Fortress no longer holds any attributable interest in Ligado, no Commission action was required to consummate the SoftBank Transaction in compliance with the foreign ownership rules. Subsequently, after consultation with Bureau staff and the staff being provided with a copy of the 2017 Voting Proxy Agreement, the staff requested that the 2017 Voting Proxy Agreement be amended to clarify that prior FCC approval would be necessary in connection with filling a vacancy in the position of the voting proxy and to amend the voting proxy agreement (with the exception of typographical and other nonsubstantive changes). Accordingly, on March 8, 2019, the parties to the 2017 Voting Proxy Agreement entered into an Amended and Restated Voting Proxy Agreement which incorporates the changes requested by Bureau staff (as well as certain other nonsubstantive changes to reflect the occurrence of certain events contemplated in the 2017 Voting Proxy Agreement).

## Background

At the time Ligado emerged from bankruptcy in December 2015, two entities ultimately controlled by Fortress—LSQ Acquisition Co LLC and CF LSQ C Holdings LLC (collectively, the “LSQ Entities”)—each obtained a minority membership interest in Ligado.<sup>1</sup> LSQ Acquisition Co LLC obtained common and preferred units, while CF LSQ C Holdings LLC obtained only preferred units.<sup>2</sup> The LSQ Entities also obtained voting and consent rights through their equity holdings, including rights as a Major Investor (as defined in the Ligado Operating Agreement) and the right to designate two managers and observers to the Ligado Board of Managers.<sup>3</sup> Fortress Credit Advisors LLC (“FCA”), as the non-member manager of both of the LSQ Entities, controlled all of the voting and consent rights in Ligado held by the LSQ Entities, though it held no equity interest in the LSQ Entities; FCA in turn ultimately was (and remains) controlled by FIG through a series of subsidiaries.

Although FIG (through FCA) was deemed to hold a 100 percent voting interest in Ligado for purposes of the foreign ownership rules, FIG itself held less than a one percent indirect equity interest in Ligado.<sup>4</sup> This is because the members of the LSQ Entities—which, directly or indirectly, are a number of investment funds ultimately controlled by Fortress<sup>5</sup>—are insulated in

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<sup>1</sup> See *Applications of LightSquared Subsidiary LLC, Debtor-in-Possession, and LightSquared Subsidiary LLC*, Mem. Op. & Order, 30 FCC Rcd 13988, 13991 ¶ 7 & n.23 (2015) (“MO&O”).

<sup>2</sup> *Id.* Specifically, LSQ Acquisition Co LLC obtained approximately 26.2% of the Series A Common Units, as well as Series A-2 Preferred Units, Series B Preferred Units and Series C Preferred Units, and CF LSQ C Holdings LLC obtained Series C Preferred Units in Ligado. As noted in the MO&O, LSQ Acquisition Co LLC is a series LLC.

<sup>3</sup> See MO&O, 30 FCC Rcd at 13991 ¶ 7.

<sup>4</sup> *Id.* at 13999 ¶23. Because FIG was publicly traded, the MO&O granted FIG’s request to be treated as a publicly traded corporation, which meant only owners of five percent or more of FIG’s membership interests would be considered attributable with respect to FIG’s voting interest in Ligado under the foreign ownership rules. *Id.* at 14001 ¶ 26. No foreign person or group at any time from Ligado’s bankruptcy emergence until consummation of the SoftBank Transaction held a five percent or greater interest in FIG.

<sup>5</sup> Certain investment funds ultimately controlled by Fortress also obtained at Ligado’s emergence from bankruptcy, and continue to hold, debt interests in Ligado. As set out in the Voting Proxy Agreement, “[t]he Interest Holders or Fortress may make, acquire or sell loans of Ligado or its subsidiaries, to the extent consistent with the FCC’s rules and policies regarding the insulation of members of limited liability companies. During the term of this Agreement, Fortress shall be bound to perform its obligations and entitled to the privileges and to exercise its rights and remedies as a lender under contractual commitments for debt financing or related loan agreements, subject in each case to the terms and conditions of the applicable agreement.”

accordance with the Commission's rules, and the limited partners of those members hold approximately 99 percent of the LSQ Entities' equity interest in Ligado.<sup>6</sup>

### Effect of SoftBank Transaction

As a result of the SoftBank Transaction, FIG is now indirectly wholly owned by SoftBank, a Japanese company, and is no longer publicly traded. The SoftBank Transaction, however, did not change the direct ownership of the LSQ Entities or their members. All of the Fortress investment funds continue to hold their insulated membership interests in the LSQ Entities, and the limited partners of the Fortress funds continue to hold approximately 99% of the equity of the LSQ Entities. Thus, with respect to equity ownership, SoftBank, as the owner of FIG, now is attributed with the less than one percent equity interest in Ligado that FIG holds.

With respect to voting, pursuant to the irrevocable 2017 Voting Proxy Agreement, all voting, consent, appointment and other management rights held by the LSQ Entities in Ligado through their equity interests in Ligado were transferred to Alfred F. Hurley, Jr., a United States citizen. A copy of the 2017 Voting Proxy Agreement was previously provided to Bureau staff, and, as noted above, an Amended and Restated Voting Proxy Agreement was entered into in order to incorporate certain changes requested by the staff. Accordingly, attached as Exhibit A is the Amended and Restated Voting Proxy Agreement.<sup>7</sup> The members and observers appointed by Fortress to Ligado's Board of Managers resigned when the Voting Proxy Agreement took effect.<sup>8</sup> As a result, neither FCA nor the LSQ Entities—and, as a result, neither FIG nor SoftBank—currently hold cognizable voting interests in Ligado.

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<sup>6</sup> See LightSquared Subsidiary, LLC Petition for Determination of the Public Interest Under Section 310(b)(4) of the Communications Act of 1934, as amended, IB Docket No. 15-126, at 8-9 (filed April 6, 2015).

<sup>7</sup> The 2017 Voting Proxy Agreement was modeled on the Commission-approved proxy agreement that JPMorgan Chase & Co. entered into in connection with Ligado's emergence from bankruptcy, see *MO&O*, 30 FCC Rcd at 13995-96 ¶¶ 17-18, and includes similar restrictions on communications, requirements for the independence of the proxy, and other requirements set out in that agreement. As noted above, the Amended and Restated Voting Proxy Agreement includes provisions requested by Bureau staff that clarify that FCC approval will be required prior to filling any vacancy in the position of the voting proxy and to amend the voting proxy agreement, and also includes certain typographical and non-substantive changes.

<sup>8</sup> It should be noted that Tim Donahue, one of the managers that Fortress had designated to the Ligado Board, resigned from the board, but was subsequently included in the slate of manager nominees that Fortress presented to the Voting Proxy and was ultimately selected by the Voting Proxy to serve on the Ligado Board. Aside from having served on the Ligado Board of Managers as the designee of Fortress prior to his resignation, Mr. Donahue is otherwise independent of Fortress, and, on a going forward basis, has been, and will continue to be subject to the requirements set forth in the Voting Proxy Agreement, including, without limitation, the restriction on communications with Fortress regarding the operation and management of Ligado.

Section 1.5001(i) of the Commission's rules requires that licensees subject to the restrictions on foreign ownership set out in Section 310(b)(4) of the Communications Act seek specific approval for any foreign investor, or "group" of foreign investors as defined in the rules, that would hold directly and/or indirectly more than 5% (or 10% in certain circumstances) of the equity and/or voting interests, or a controlling interest, in the licensee's controlling U.S. parent. As set forth above, Fortress and SoftBank now hold less than a one percent equity interest—and no voting interest—in Ligado. Thus, the consummation of the SoftBank Transaction complied with the foreign ownership rules without requiring any party to obtain specific approval.

Finally, Fortress notes that FIG and SoftBank entered into a National Security Agreement ("NSA") with the U.S. Departments of Treasury and Justice (together, the "CFIUS Monitoring Agencies") in connection with the review of the SoftBank Transaction by the Committee on Foreign Investment in the United States ("CFIUS"). Because the NSA is not otherwise public and is expressly subject to exemptions from disclosure under the Freedom of Information Act pursuant to 50 U.S.C. § 4565(c), FIG has submitted relevant provisions of the NSA to the Bureau on a confidential basis. Although Fortress submits that the 2017 Voting Proxy Agreement and, now, the Amended and Restated Voting Proxy Agreement are sufficient to demonstrate that neither Fortress nor SoftBank holds any attributable voting interest in Ligado, the NSA mitigation provisions present further evidence that SoftBank will not be involved in the management or operations of Ligado.


Please contact the undersigned if the Bureau has any questions regarding the SoftBank Transaction or related matters addressed herein.

Respectfully submitted,

Ligado Networks, LLC

By:   
Date: 3/11/19

Fortress Investment Group LLC

By:   
Date: \_\_\_\_\_

Attachment

cc: David Krech (via email)  
Susan O'Connell (via email)  
Kimberly Cook (via email)

## AMENDED AND RESTATED VOTING PROXY AGREEMENT

This AMENDED AND RESTATED VOTING PROXY AGREEMENT, dated as of March 11, 2019 (as amended, supplemented or otherwise modified from time to time in conformance with Section 5.3 below) (this "Agreement"), is among Alfred F. Hurley, Jr. (the "Voting Proxy"), LSQ Acquisition Co. LLC, a Delaware limited liability company ("LSQ"), CF LSQ C Holdings LLC, a Delaware limited liability company ("CF LSQ"), Fortress Credit Advisors LLC, a Delaware limited liability company, as the non-member Manager of LSQ and CF LSQ ("FCA", and together with any Fortress Holder (as defined below) or SoftBank Holder (as defined below) that becomes party or subject to this Agreement, the "Interest Holders", and each individually, an "Interest Holder"), Ligado Networks LLC, a Delaware limited liability company ("Ligado"), and Fortress Investment Group LLC, a Delaware limited liability company ("FIG", and, together with all of its controlled affiliates, "Fortress").

### WITNESSETH:

WHEREAS, pursuant to the grant by the Federal Communications Commission (the "FCC") in IB Docket No. 15-126 of the assignment and change of control applications filed by LightSquared Subsidiary LLC, Debtor-in Possession, and LightSquared Subsidiary LLC ("LightSquared Sub") and following consummation of the *Modified Second Amended Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code* confirmed on March 27, 2015 in the chapter 11 cases captioned *In re LightSquared, et al.* (No. 12-12080) (the "L2 Plan of Reorganization"), LSQ and CF LSQ hold common and preferred equity interests in Ligado (such interests, the "Ligado Equity") described on Schedule A attached hereto (each such interest, together with any Ligado Equity that subsequently becomes subject to this Agreement pursuant to the terms hereof, an "Interest," and collectively, the "Interests");

WHEREAS, in conformance with the FCC's Memorandum Opinion and Order and Declaratory Ruling in IB Docket No. 15-126, FCC 15-164 (rel. Dec. 4, 2015) (the "FCC Order") granting its consent to the L2 Plan of Reorganization, LightSquared Sub, by letter dated November 22, 2017, notified the staff of the FCC's International Bureau that, pursuant to a transaction between FIG and SB Foundation Holding LP ("SB Foundation"), a wholly owned indirect subsidiary of SoftBank Group Corp. (collectively with its affiliates other than Fortress, "SoftBank"), FIG will become a private company, and will no longer be publicly traded (the "SoftBank Transaction");

WHEREAS, in connection with the SoftBank Transaction, each Interest Holder caused the Interest Holder's Ligado Equity to be subject to that certain irrevocable Voting Proxy Agreement dated December 27, 2017, among the parties hereto, which was entered into and deemed to be effective prior to consummation of the SoftBank Transaction (the "2017 Voting Proxy Agreement");

WHEREAS, the Voting Proxy has no past or current familial, personal or business relationships with the Interest Holders, Fortress or SoftBank (other than as a result of serving as the Voting Proxy and a member of the Ligado's board of managers), and the selection and qualifications of the Voting Proxy are designed to comport with FCC precedent applicable to the use of voting proxies, and the Voting Proxy has been incorporated into the Operating Agreement of Ligado, as amended through and including the date hereof (as amended, supplemented or otherwise modified from time to time, the "Ligado Operating Agreement"), by reference or otherwise;

WHEREAS, on December 12, 2018, the staff of the FCC has requested certain modifications to Sections 3.6 and 5.3 of the 2017 Voting Proxy Agreement and the parties hereto have agreed to enter into this Amended and Restated Voting Proxy Agreement in order to incorporate the requests of the FCC staff and to otherwise continue and maintain the 2017 Voting Proxy Agreement;

NOW, THEREFORE, in conformance with the rules and regulations of the FCC, and in order to, among other things, comply with the foreign and other ownership rules of the FCC, and the conditions imposed in the FCC Order and in consideration of the premises and of the mutual covenants and obligations set forth in this Agreement, the parties hereto agree that the 2017 Voting Proxy Agreement is hereby amended and restated, effective as of the date hereof, to read as follows:

1. Creation of Proxy; Transfer of Voting and Other Rights; Exercise in Voting Proxy's Discretion.

1.1. Subject to the terms and conditions hereof, each Interest Holder hereby confirms that it has granted an irrevocable voting proxy in respect of its Interests to the Voting Proxy, which irrevocable voting proxy will continue in effect from and after the date hereof until the termination of this Agreement (at which point such grant, and the constitution and appointment as such proxy shall automatically be revoked), as the Interest Holder's proxy to exercise all voting and consent rights in respect of such Interests now or hereafter granted to, or otherwise acquired or held by, such Interest Holder or any other affiliate of Fortress or SoftBank that hereafter holds an Interest (a

“Fortress Holder” or “SoftBank Holder,” as the case may be) on all matters on which the holder of such Interest is entitled to vote or consent, including the rights as a “Major Investor” under and as defined in the Ligado Operating Agreement.

1.2. Subject to the terms hereof, the Voting Proxy shall have sole and exclusive authority to exercise any and all management rights with respect to the Interests, including the right to exercise any voting, director appointment, consent, approval or management rights arising under the Ligado Operating Agreement, in a manner intended to maximize the value of the Interests.

1.3. None of the Interest Holders, Fortress or SoftBank, nor their agents or attorneys, shall become involved in the management or operation of Ligado. Without limiting the foregoing and subject to the terms hereof, (A) Fortress and SoftBank shall not retain any voting, director appointment, consent, approval or management rights with respect to the Interests (but shall retain the nomination rights set forth below), (B) Fortress and SoftBank shall not have any rights to require the Voting Proxy to consult with either Fortress or SoftBank with respect to the exercise of the rights set forth in clause (A) above, and (C) the Voting Proxy shall not consult with Fortress or SoftBank with respect to the rights set forth in clause (A) above.

1.4. During the term of this Agreement, the Voting Proxy shall exercise the consent and voting rights with respect to the Interests and as a Major Investor, in each case in his or her sole and absolute discretion, provided that the Voting Proxy shall owe a fiduciary duty to the Interest Holders and any other Fortress Holder or SoftBank Holder in exercising such rights consistent with the duties owed to a beneficiary under applicable law, which shall include, for the avoidance of doubt, the duty to act on an informed basis and in good faith to maximize the benefits to, and be in the best interests of, the Interest Holders and any other Fortress Holder or SoftBank Holder. The Voting Proxy shall manage the Interests in accordance with, and subject to, the terms and conditions set forth in this Agreement and the Ligado Operating Agreement (collectively, the “Governing Agreements”). Subject to the terms hereof, the Voting Proxy shall exercise his or her powers in compliance with the applicable terms of the Governing Agreements. The Voting Proxy’s obligations shall be subject to compliance with applicable laws, including FCC rules and policies.

1.5. During the term of this Agreement, and without limiting Section 1.6, none of the Interest Holders, Fortress or SoftBank shall communicate with the Voting Proxy, management of Ligado or the individual or individuals appointed pursuant to Sections 3.2 and/or 3.3 as board member, advisory committee member or the Tax Matters Partner, or any of their attorneys or agents, regarding the management or operation of Ligado;



provided that the Voting Proxy shall, consistent with its fiduciary obligations and solely on a pass through basis, provide to the Interest Holders and any other Fortress Holder or SoftBank Holder written information and notices that the Voting Proxy receives pursuant to the Ligado Operating Agreement. Notwithstanding the foregoing, the Voting Proxy shall not provide to the Interest Holders or any other Fortress Holder or SoftBank Holder any materials, documents or other information concerning (i) any actual or potential Strategic Transaction (including the existence and terms thereof, the process related thereto and any other details in connection therewith) and/or (ii) Ligado's and its affiliates' relationship with Fortress and/or SoftBank, as determined, in the case of each of the foregoing clauses (i) and (ii), in good faith by the Chief Executive Officer of Ligado.

For the purposes of this Section 1.5, "Strategic Transaction" means (i) a Change of Control (as defined in the Ligado Operating Agreement), (ii) a transaction or series of related transactions pursuant to which Ligado and another business entity of a size at least approximately equal to that of Ligado (or a subsidiary of such business entity) enter into a joint venture or similar arrangement pursuant to which they will conduct business, or pursue business opportunities, on a joint basis or (iii) a transaction or series of related transactions pursuant to which any person or "group" (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) would acquire equity interests in, or securities convertible or exchangeable into or exercisable for, or any options, warrants or other rights to acquire, any equity interests in, Ligado or any of its subsidiaries representing, in the aggregate, 5% or more of the total voting power of Ligado or such subsidiary or 5% or more of the total value of all outstanding equity interests of Ligado or such subsidiary.

1.6. The Interest Holders or Fortress may make, acquire or sell loans of Ligado or its subsidiaries, to the extent consistent with the FCC's rules and policies regarding the insulation of members of limited liability companies. During the term of this Agreement, Fortress shall be bound to perform its obligations and entitled to the privileges and to exercise its rights and remedies as a lender under contractual commitments for debt financing or related loan agreements, subject in each case to the terms and conditions of the applicable agreement.

1.7. Subject to the terms of this Agreement and FCC rules and policies, any acquisition by or issuance of additional Ligado Equity to any Interest Holder, Fortress or SoftBank shall automatically be subject to this Agreement.

1.8. FIG will not, and will cause its controlled affiliates not to, take any actions with regard to Ligado's applications for the FCC Approvals (as defined in the Ligado

Operating Agreement); provided, however, that, Fortress may at any time request that Ligado seek a declaratory ruling from the FCC with respect to SoftBank's ownership of FIG, in which event Ligado shall consider such request in good faith and shall cooperate with such request if the Ligado Board determines that seeking such a declaratory ruling would not adversely affect Ligado's applications for the FCC Approvals.

## 2. Distributions, Economic Interests, Sales and Assignments.

2.1. The Interest Holders and any other Fortress Holder or SoftBank Holder shall retain its full economic beneficial interest in their respective Interests, including the right to receive all dividends, distributions and proceeds from or made on account of such Interests in accordance with the Ligado Operating Agreement, whether such dividends, distributions or proceeds are paid in kind or in cash; provided that if any distribution is in the form of any security or other interest that entitles its holder to voting or consent rights in or with respect to the entity making such distribution, such voting or consent rights shall be treated for all purposes of this Agreement as voting or consent rights attendant to such Interest, and shall be automatically transferred to the Voting Proxy to the same extent provided herein.

2.2. The Voting Proxy shall have no economic interest in any of the Interests, and may not sell, transfer, assign, pledge, exchange or otherwise dispose of or encumber, or initiate any of the foregoing with respect to any of the Interests, in each case without the prior written consent of the applicable Interest Holder or any other applicable Fortress Holder or SoftBank Holder, and, except as provided in the proviso to Section 2.1 hereof, shall not have any claims with respect to dividends, distributions or proceeds therefrom. The authority to sell, transfer, assign, pledge, exchange or otherwise dispose of or encumber the Interests shall only be exercised in accordance with and only to the extent and in the manner provided in this Agreement.

2.3. Any sales, transfers or other dispositions of Interests by any Interest Holder and any other Fortress Holder or SoftBank Holder shall be approved in advance by the Voting Proxy, and any and all communications regarding such sale or assignment between an Interest Holder, or the other applicable Fortress Holder and/or SoftBank Holder, and the Voting Proxy shall be in writing and shall not include discussions regarding the operation or management of Ligado. The Voting Proxy shall not withhold its consent to the extent Fortress (in respect of a sale or other assignment by the Interest Holders or any other Fortress Holder) or SoftBank (in respect of a sale or other assignment by any SoftBank Holder) advises that a sale or other assignment of Interests is (x) required by applicable laws or regulations or is necessary or desirable to address or comply with regulatory requests, requirements or demands of any Governmental

Authority (as defined in the Ligado Operating Agreement), including self-regulatory organizations such as the Financial Industry Regulatory Authority or the Securities Investor Protection Corporation, with jurisdiction over Fortress or SoftBank, their assets or business activities, (y) pursuant to obligations set forth in Sections 5.3, 6.5, 7.5 and/or 7.6 of the Ligado Operating Agreement, or (z) a direct or indirect sale, transfer or other disposition to another Fortress entity (for the avoidance of doubt, such Interests sold, transferred or otherwise disposed to another Fortress entity pursuant to this clause (z) shall, pursuant to Section 1, remain subject to this Agreement).

2.4. Prior to, and as a condition to, any sale, transfer or other disposition of Interests by any Interest Holder to SoftBank, such Interest Holder shall cause SoftBank Group Corp. to execute a joinder to this Agreement, in a form reasonably acceptable to Ligado, agreeing to be subject to and bound by the terms of this Agreement. FIG or SoftBank Group Corp., as applicable, shall cause any of its controlled affiliates that is an Interest Holder from time to time to comply with this Agreement as if such Interest Holder were a party hereto.

### 3. Voting Proxy.

3.1. The Voting Proxy accepts the proxy hereby created in accordance with all of the terms and conditions and reservations herein contained and agrees to serve as Voting Proxy hereunder.

3.2. It is acknowledged that, within fifteen (15) days after the execution of the 2017 Voting Proxy Agreement, and in accordance with Section 3.2 of the 2017 Voting Proxy Agreement, the Interest Holders proposed for nomination a slate of three separate independent individuals with no past or current familial, personal or business relationships with the Interest Holders, Fortress or SoftBank, and that were each qualified under FCC rules and policies, two of whom would, subject to the selection and consent of the Voting Proxy (which selection and consent may be exercised in the Voting Proxy's sole discretion), serve on the board of managers and advisory committee of Ligado and, if applicable under the Ligado Operating Agreement, one of whom may serve as the Tax Matters Partner under and as defined in the Ligado Operating Agreement. For the avoidance of doubt, the Voting Proxy was permitted to (i) choose to select himself as a board member, in which case the Voting Proxy would only select one of the three nominees, and (ii) in its sole discretion, reject the entire slate of nominees proposed by the Interest Holders, in which case the Interest Holders would provide two additional independent individuals with no past or current familial, personal or business relationships with the Interest Holders, Fortress or SoftBank and who were qualified under FCC rules and policies, until the Voting Proxy has made its selection. As

contemplated by Section 3.2 of the 2017 Voting Proxy Agreement, the Voting Proxy chose himself and one other individual nominated by the Interest Holders to serve on the board of managers of Ligado, and such individuals continue on the date hereof to serve as members of the board of managers of Ligado. While any individual chosen by the Voting Proxy to serve on the board of managers of Ligado shall owe fiduciary duties that are customary of directors serving on the board of a limited liability company, that individual shall owe no special fiduciary duties to Fortress or SoftBank.

3.3. If after its initial appointment an individual no longer serves in any or all of the capacities identified in Section 3.2, then the selection of such individual's replacement shall be subject to the same limitations and made pursuant to the same procedures outlined in Section 3.2 above. For the avoidance of doubt, while the Voting Proxy will have all authority under the Ligado Operating Agreement to remove any individual so selected, the Interest Holders shall have only the nomination rights set forth in Section 3.2, and will have no authority to remove any such individual from serving as a member of the board of managers, advisory committee or, if hereafter applicable under the Ligado Operating Agreement, as Tax Matters Partner.

3.4. None of the Interest Holders, Fortress or SoftBank shall have the right to remove the Voting Proxy at will. The Voting Proxy may be removed by the Interest Holders or Fortress only if the Voting Proxy is (i) subject to bankruptcy proceedings, as described in Section 402(4) – (5) of the Revised Uniform Limited Partnership Act, (ii) adjudicated incompetent by a court of competent jurisdiction, (iii) removed for Cause, as determined by an independent party, or (iv) found, after review by the FCC, not to satisfy the FCC's criteria for the qualifications of a Voting Proxy. As used herein, "Cause" shall mean (a) any indictment for, or plea of *nolo contendere* to, a felony or a crime involving dishonesty or moral turpitude; (b) any act of gross negligence, willful misconduct or fraud in respect of the Voting Proxy's duties under this Agreement; (c) any breach by the Voting Proxy of his or her fiduciary duties under this Agreement; (d) the habitual use by the Voting Proxy of alcohol or controlled substances (not legally prescribed by a physician) that interferes with the performance of the Voting Proxy's duties under this Agreement; or (e) any other action by the Voting Proxy that is otherwise consistent with the FCC's policies regarding a removal for cause. Any successor shall be selected by the Interest Holders in accordance with the procedures set out in Section 3.6 of this Agreement, including, if necessary, the prior approval of the FCC, and subject to the terms of this Agreement.

3.5. The Voting Proxy may resign at any time by delivering his resignation in writing to the Interest Holders, such resignation to take effect upon the appointment of a successor Voting Proxy as provided herein, whereupon all powers, rights and obligations of such resigning Voting Proxy under this Agreement shall cease and terminate.

3.6. If any vacancy shall occur in the position of the voting proxy by reason of resignation, removal or inability or refusal to act of the Voting Proxy, such vacancy shall be filled by Interest Holders in accordance with the procedures used for the selection of the Voting Proxy and shall include, without limitation, the prior written approval of the FCC. Without limiting the foregoing, as is the case with the Voting Proxy, any such successor Voting Proxy shall have no past or current familial, personal or business relationship with the Interest Holders, Fortress or SoftBank (other than serving as the Voting Proxy), and will be qualified under applicable FCC rules and policies. Such successor Voting Proxy shall thereupon execute this Agreement and all the rights, powers and duties of the Voting Proxy hereunder shall then pass to and devolve upon such successor.

3.7. If FIG determines that an amendment to this Agreement or an additional agreement with the Proxy Holder (other than the agreement regarding the equity grant contemplated by the second sentence of Section 4.1) may be necessary or advisable, FIG shall first discuss such proposed amendment and/or new agreement with Ligado and shall obtain the consent of Ligado (such consent not to be unreasonably withheld or delayed) before discussing such amendment or additional agreement with the Proxy Holder.

#### 4. Compensation; Expenses; Indemnities.

4.1. In consideration for the Voting Proxy's services hereunder, FIG shall cause Fortress to pay to the Voting Proxy (x) a quarterly fee of Twenty-Five Thousand Dollars (\$25,000.00), paid in arrears on the last business day of each quarter (and, to the extent this Agreement is terminated prior to the last day of a quarter, paid ratably for the portion of the quarter in which this Agreement is terminated), and (y) an equity grant, which (i) in the case of the initial Voting Proxy named herein, had a value of \$100,000 at the time of grant, as reasonably estimated by FIG, representing a right to receive a portion of the incentive compensation to which FIG would be entitled in respect of Fortress' equity investment in Ligado, which equity grant vests ratably over three years, or (ii) in the case of any future Voting Proxy, represents the unvested portion (if any) of the equity award granted to the initial Voting Proxy as described in clause (i) above (or such other equity award as may be proposed by FIG and approved by Ligado and, if FCC approval is required, the FCC). In addition, FIG shall cause Fortress to pay all reasonable expenses of the Voting Proxy, including counsel fees, and shall discharge all liabilities incurred by the Voting Proxy in connection with the exercise of his powers and performance of his duties under this Agreement, in each case pursuant to invoices submitted with reasonable detail. The Interest Holders shall also indemnify and hold the Voting Proxy harmless from and against any and all claims and liabilities in connection with or arising out of the administration of the proxy created by this Agreement or the exercise of any powers or the performance of any duties by him as herein provided or contemplated, except such as

shall arise from the willful misconduct or gross negligence of the Voting Proxy or a breach by the Voting Proxy of its fiduciary obligations as set forth in Sections 1.4 and 3.2 hereof, and such indemnity shall not apply to any indirect, incidental, consequential, exemplary, punitive or special damages.

5. Termination and Amendment.

5.1. This Agreement will terminate upon the later of (i) a finding by the FCC that the Interest Holders, Fortress and SoftBank satisfy the foreign ownership and other ownership qualifications of the FCC, and (ii) the date that is six months after the date on which all FCC Approvals have been received by Ligado, unless the Ligado board, after a request by Fortress or SoftBank, reasonably concludes (after considering in good faith any alternative structures or other measures that may be proposed by Fortress or SoftBank to replace the proxy arrangement under this Agreement) that the termination of this Agreement complies with FCC rules and would not be anticipated to materially impede or delay receipt of the FCC Approvals (if not previously received) or materially impair the ability of the Company to consummate a Strategic Transaction (or such later date as may be required by the FCC); provided that this Agreement shall be earlier terminated (a) at such time as Fortress ceases to be an affiliate of SoftBank, provided that no Interests are then held by a SoftBank Holder, (b) upon the sale or assignment of all of the Interests by the Interest Holders in accordance with the terms hereof to a third party that is not a Fortress or SoftBank entity or an individual affiliated with Fortress or SoftBank, or (c) at such other date agreed to by Fortress and Ligado and approved by the FCC (the period commencing on the date of this Agreement until the date this Agreement is terminated, the "Proxy Period").

5.2. Upon the termination of this Agreement pursuant to this Section 5, the voting and consent rights covered hereby shall automatically vest in the Interest Holders (or another Fortress Holder or SoftBank Holder, as applicable), as a member of Ligado, as a Major Investor (if applicable) and as a holder of the Interests, and the Interest Holders (or Fortress or SoftBank) shall have all applicable rights under the Ligado Operating Agreement to immediately replace the board and advisory committee members and, if hereafter applicable under the Ligado Operating Agreement, the Tax Matters Partner chosen by the Voting Proxy.

5.3. This Agreement may be amended only with the written consent of Ligado, the Voting Proxy and the Interest Holders, and with the prior written approval of the FCC, with the exception of typographical and other nonsubstantive changes. Without limiting the foregoing, to the extent a successor Voting Proxy is named pursuant to Section 3.6, Ligado agrees to consider in good faith such changes to this Agreement,

including the compensation of the Voting Proxy, as may be proposed by the Interest Holders.

6. Miscellaneous.

6.1. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of New York, regardless of the laws that otherwise might govern under applicable principles of conflicts of laws thereof.

6.2. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors, legal representatives and permitted assigns, provided that, Interests that are sold or otherwise assigned pursuant to the terms hereof to a third party that is not a Fortress or SoftBank entity or an individual affiliated with Fortress or SoftBank shall be transferred free and clear of this Agreement and all obligations hereunder and, upon the consummation of such sale or assignment, shall not be deemed "Interests" hereunder. This Agreement shall not be assignable by any party hereto without the prior written consent of each other party hereto. Any purported assignment without such consent shall be null and void.

6.3. In case any provision of this Agreement shall be held to be invalid or unenforceable in whole or in part, neither the validity nor the enforceability of the remainder of this Agreement shall in any way be affected. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the provisions hereof.

6.4. This Agreement may be executed simultaneously in several counterparts, delivered by facsimile or electronic mail, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.5. This Agreement shall be effective upon being duly executed by each of the parties hereto.

6.6. The parties shall, as promptly as practicable, make such modifications as may be requested by the FCC to ensure that the holding by SoftBank of an indirect interest in Ligado complies with the foreign ownership and other rules of the FCC.

7. Notice.

7.1. All formal notices given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or by overnight express or mailed by first-class, registered or certified mail, postage prepaid, or transmitted by facsimile or electronic mail and addressed to the parties as follows:

If to the Voting Proxy:	If to Ligado:	If to the Interest Holders or Fortress:
Alfred F. Hurley, Jr. 830 Park Ave. #10A New York, NY 10021 <a href="mailto:al@alhurley.com">al@alhurley.com</a>	10802 Parkridge Boulevard Reston, VA 20191 Attention: Chief Legal Officer <a href="mailto:valerie@ligado.com">valerie@ligado.com</a>	c/o Fortress Investment Group LLC 1345 Avenue of the Americas New York, NY 10105 Attention: Constantine Dakolias
		and to
		c/o Fortress Investment Group LLC One Market Plaza Spear Tower, 42 <sup>nd</sup> Floor San Francisco, CA 94105 Attention Drew McKnight <a href="mailto:dmcknight@fortress.com">dmcknight@fortress.com</a>

Each notice which shall be delivered, mailed or transmitted in the manner described above shall be deemed sufficiently received for all purposes at such time as it is delivered to the addressee (with any return receipt or delivery receipt being deemed conclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

[Signature Page to Follow]




IN WITNESS WHEREOF, the respective parties have caused this Agreement to be executed as of the date first above written.

**VOTING PROXY**

A handwritten signature in black ink, appearing to read "Alfred F. Hurley, Jr.", written over a horizontal line.


Alfred F. Hurley, Jr.

**LIGADO NETWORKS LLC**

By:   
Name: Douglas Smith  
Title: President & CEO


LSQ ACQUISITION CO. LLC, for an on behalf  
of its Series I, Series II, and Series III

BY: FORTRESS CREDIT ADVISORS LLC,  
MANAGER

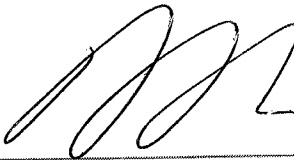
By:   
Name: David N. Brooks  
Title: Authorized Signatory

CF LSQ C HOLDINGS LLC


BY: FORTRESS CREDIT ADVISORS LLC,  
MANAGER

By:   
Name: David N. Brooks  
Title: Authorized Signatory

**FORTRESS CREDIT ADVISORS LLC**

By:   
Name: *David N. Brooks*  
Title: *Authorized Signatory*

**FORTRESS INVESTMENT GROUP LLC**

By:   
Name: *David N. Brooks*  
Title: *Secretary*

**SCHEDULE A**

**INTERESTS**

<b><u>Interest Holder</u></b>	<b><u>Interests</u></b>
LSQ Acquisition Co LLC (Series I)	2,620,000.00 Units of Series A Common 1,420,454.61 Units of Series A-2 Preferred 5,240,731.91 Units of Series B Preferred 24,630.42 Units of Series C Preferred
LSQ Acquisition Co LLC (Series II)	17,672.66 Units of Series C Preferred
CF LSQ C Holdings LLC	4,309,685.23 Units of Series C Preferred